

# MANULIFE GLOBAL FUND

## ADDENDUM TO HONG KONG OFFERING DOCUMENT

31 December 2012

*No copy of the Hong Kong Offering Document dated June 2012 of Manulife Global Fund (the “Company”) (together with the Addendum dated 28 September 2012, the latest annual report and accounts and, if later, the most recent semi-annual report of the Company) may be distributed unless it is accompanied by this Addendum. This Addendum should, therefore, be read in conjunction with the Hong Kong Offering Document and the Addendum dated 28 September 2012 and together construed, as one document. Words and phrases used in this Addendum shall have the same meanings as are ascribed to them in the Hong Kong Offering Document.*

The Hong Kong Offering Document dated 18 June 2012 shall be varied as set out below, with immediate effect:–

### **1. CHANGE OF NAME OF THE AUDITORS OF THE COMPANY**

- 1.1 The name of the auditors of the Company have been changed from “PricewaterhouseCoopers S.à.r.l.” to “PricewaterhouseCoopers Société Coopérative”. Accordingly, all references to the name of the auditors appearing in the Hong Kong Offering Document (including on page 7 of the Prospectus) shall be accordingly read as amended.

### **2. UPDATES ON THE U.K. TAXATION DISCLOSURE**

- 2.1 Pursuant to updates to the section relating to UK taxation, the first twelve paragraphs under section 10.2.2.2 on pages 28 to 30 of the Prospectus thereof shall be deleted in their entirety and replaced with the following paragraphs:–

“In the event that dividends are paid, and subject to their personal circumstances, individual Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax in respect of any dividends or other distributions of income (including, in the case of any Shares which may have reporting fund status, in respect of any reported income) by the Company, whether or not such distributions are reinvested. A dividend tax credit of 1/9th of the dividend should be available to such Shareholders on dividends (including reported income) received from certain non-United Kingdom resident companies, such as the Company. However, as a result of anti-avoidance rules, such credit may not be available to individual Shareholders in certain Classes of Shares where the market value of the relevant Class’s investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60 per cent. of the market value of all of the assets of the Class at any relevant time. Shareholders in these Classes will be treated as receiving an interest payment which will not carry the tax credit.

Corporations within the charge to United Kingdom corporation tax should generally be exempt from United Kingdom corporation tax on distributions (including reportable income) made by the Company although it should be noted that this exemption is subject to certain exclusions (particularly in the case of “small companies” as defined in Section 931S of the Corporation Tax Act 2009 (“**CTA 2009**”)) and specific anti-avoidance rules.

Each of the Classes will be deemed to constitute an “offshore fund” for the purposes of the offshore fund legislation in Part 8 of the Taxation (International and Other Provisions) Act 2010. Under this legislation, any gain arising on the sale, redemption or other disposal of shares in an offshore fund (which may include an in-specie redemption by the Company) held by persons who are resident or ordinarily resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where a fund is accepted by Her Majesty’s Revenue & Customs as a “distributing fund” or a “reporting fund” throughout the period during which shares in the Company have been held.

For all accounting periods ended on or before 30 June 2011, the Company has obtained certification of the Class A and Class AA Shares of the Company as a distributing fund.

Distributing fund status has been replaced with reporting fund status for United Kingdom tax purposes for all accounting periods of the Company beginning on or after 1 July 2011. The Directors intend to seek approval for Class A, Class AA and Class I Shares of the Company as “reporting funds” for UK taxation purposes for periods from 1 July 2011 onwards and to manage the affairs of the Company such that relevant ongoing obligations which registration carries continue to be met.

In order for each of the Class A, Class AA and Class I Shares to qualify as a reporting fund, the Company must apply to Her Majesty’s Revenue & Customs for entry of each Class into the regime. For each accounting period, it must then report to Shareholders 100 per cent. of the income attributable to the relevant Class, that report being made within six months of the end of the relevant accounting period. United Kingdom resident individual Shareholders will be taxable on such reported income, whether or not the income is actually distributed. Income for these purposes is computed by reference to income for accounting purposes as adjusted for capital and other items. In particular, Shareholders should note that any profit derived from trading activities (as distinct from investment activities) will be regarded as reportable income.

Provided the Company obtains certification as a reporting fund for each period in respect of each of the Class A, Class AA and Class I Shares, apart from any sums representing accrued income for the period of disposal, gains realised on the disposal of Shares in Class A, Class AA and Class I Shares by United Kingdom taxpayers will be subject to taxation as capital and not as income unless the Shareholder is a dealer in securities. Any such gains may accordingly be reduced by any general or specific United Kingdom exemption available to a Shareholder and this may result in certain Shareholder incurring a proportionately lower United Kingdom taxation charge. Although the Directors will endeavour to ensure that certification as a reporting fund will be obtained, this cannot be guaranteed.

Shareholders should note that to the extent actual dividends are not declared in relation to all income of a Class with reporting fund status for a period, further reportable income under the reporting fund rules will be attributed only to those Shareholders in the relevant Class who remain as shareholders at the end of the relevant accounting period. This could have the effect of increasing the proportion of income (rather than capital gains) tax paid by a shareholder subject to United Kingdom taxation. Regulations provide that a reporting fund may elect to operate income equalisation or to make other income adjustments to account for the impact of subscriptions and redemptions upon reportable income. The Directors reserve the right to make such an election in respect of any Class with reporting fund status.

Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 (the “**Regulations**”) provides that specified transactions carried out by a UCITS fund, such as the Company, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. The Directors intend to elect for reporting fund status for all Class A, Class AA and Class I Shares for all accounting periods beginning on or after 1 July 2011. The Directors confirm that all Class A and Class AA Shares are primarily intended for and marketed to retail investors. For the purposes of the Regulations, the Directors undertake that all such Classes in the Company will be widely available and will be marketed and made available sufficiently widely to reach the intended category of investors and in a manner appropriate to attract those kinds of investors.

Chapter 3 of Part 6 of CTA 2009 provides that if at any time in an accounting period a corporate investor within the charge to United Kingdom corporation tax holds an interest in an offshore fund and there is a time in that period when that fund fails to satisfy the “non-qualifying investments test” the interest held by such a corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in the CTA 2009 (the “**Corporate Debt Regime**”). The relevant Shares will (as explained above) constitute interests in an offshore fund and a Class will fail to satisfy the “non-qualifying investments test” broadly where its investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60 per cent of the market value of all of the assets of the Class at any relevant time.”

### **3. UPDATE ON THE GLOBAL EXPOSURE CALCULATION AND EXPECTED LEVEL OF LEVERAGE**

- 3.1 Pursuant to recent amendments to Luxembourg regulations regarding the calculation methodology for leverage utilized by UCITS, the following changes shall accordingly be made to the Prospectus:–

3.1.1 On page 108 of the Prospectus, the expected level of leverage of the Strategic Income Fund appearing in the table thereof shall be changed from “25%” to “75%”.

3.1.2 On page 109 of the Prospectus, the reference to “commitment approach” appearing in the first sentence under the note for “\*” shall be changed to “sum of notionals”.

3.1.3 On page 109 of the Prospectus, the third and fourth bullet points under paragraph 3.1 thereof shall be deleted in their entirety and replaced by the following:

- “• monthly data update; and
- daily calculation.”

3.1.4 On page 109 of the Prospectus, the second sentence under paragraph 3.3 thereof shall be deleted in its entirety and replaced with the following sentence:

“Back-testing is performed daily where the VaR is compared to hypothetical profit and loss values of the portfolio.”

#### **4. MISCELLANEOUS CHANGE**

4.1 For rectification purposes, the reference to “the Luxembourg 12 November 2004 Act on Fight against Drug Addiction” in sub-paragraph (j) of paragraph 7 under Appendix II on page 100 of the Prospectus, shall be changed and replaced by “the Luxembourg 12 November 2004 Act on Fight against Money Laundering and Terrorist Financing”.

*Save as varied above, the provisions of the Prospectus shall remain valid and in effect.*

*The Directors of the Company have taken all reasonable care to ensure that the information contained in this Addendum is true and accurate in all material respects and that no other material facts have been omitted which would make misleading any statement of fact or opinion contained in this Addendum and accept responsibility accordingly.*

## **The Board**

## **Manulife Global Fund**